



May 21, 2019

Item No. 5

RECOMMENDATION TO EXECUTE A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR PASEO BORICUA ARTS BUILDING AND PIERCE HOUSE.

Development	Address	Alderman / Ward	Community Area
Paseo Boricua Arts Building	2709-2715 West Division	Roberto Maldonado 26 th Ward	West Town
Pierce House	3527 West North Avenue	Roberto Maldonado 26th Ward	Humboldt Park

Presenters: Derek Messier, Chief Property Officer

Recommendation

It is recommended that the Board of Commissioners (Board) of the Chicago Housing Authority (CHA) authorize the Chief Executive Officer or his designee to execute 1) an Agreement to enter into a Housing Assistance Payments (AHAP) for Paseo Boricua Arts Building; 2) a Housing Assistance Payments (HAP) contract with a) Paseo Boricua Arts Building and b) Pierce House; and 3) execute all other documents as may be necessary or appropriate to implement the foregoing.

The requested action complies in all material respects with applicable CHA Board policies and all applicable federal laws. Staff have completed all necessary due diligence to support the submission of this initiative.

Property Summary

Development	Owner Developer	Target Population	PRA Units	Total Units
Paseo Boricua Arts Building	Paseo Boricua Arts, LLC (Brinshore Development)	Families	6	24
Pierce House	LCN Title Holding Corporation NFP (La Casa Norte)	Homeless	25	25

Estimated Contract Summary

Development	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
Paseo Boricua Arts Building	Housing Choice Voucher Program	30 years	AHAP & HAP contract	\$81,324 (Year 1)	\$3,299,158 (30 years)	October 2018 <i>(updated)</i>
Pierce House	Housing Choice Voucher Program	30 years	HAP contract	\$303,180 (Year 1)	\$12,299,430 (30 years)	March 2019

Initial contract rents will be determined by market comparables and fair market rents applicable at the time the HAP contract is executed. All rent determinations will comply with federal regulations and CHA policy.

Paseo Boricua Arts Building

Paseo Boricua Arts Building is a new construction, 5-story, masonry, and elevator building located in a General area in Chicago's West Town community. The development is in close proximity to a wide variety of neighborhood services and amenities.

- Paseo Boricua will offer 24 total units: 8 studios, 8 one-bedroom, and 8 two-bedroom units. Four (4) units will be accessible with 2 units meeting federal Type A 504 requirements; 5 units will be adaptable and 1 unit sensory adaptable.
- Building amenities will accentuate the art culture of the Paseo Boricua. The first floor will contain 2,780 square feet of commercial, artist and community space. Informal gallery spaces will be located on each residential floor.
- The residential units will offer an art-loft style with 9-foot ceilings with in-unit laundry, exposed ductwork, balconies, with art work and exhibit spaces within each unit. Each unit will include energy efficient appliances. The building will offer an on-site management office.
- PRA will assist 6 units: 3 one-bedroom and 3 two-bedroom units. The target population will be families from CHA waitlists.
- Unit amenities include condo quality finishes, Energy Star appliances, and balconies. Residents will have access to artists spaces on the ground level. Tenants are responsible for electric and gas expenses, including heat and cooking gas.



Property Owner /Manager

Paseo Boricua Arts LLC is a subsidiary of Brinshore Development. Since 1993, Brinshore has specialized in the development of workforce and mixed-income housing and has completed 58 affordable housing developments containing more than 4,000 family and senior residential units. Additionally, Brinshore has also developed more than 275 for-sale homes and 50,000 square feet of retail space.

Brinshore has partnered with CHA in the creation of 1,574 completed public housing units with an additional 200 units under construction. These developments include Clybourn 1200 (84 units), Legends South (618 units), Westhaven Park (747 units), Park Douglas (137 units), City Gardens (70 Units), 45th & Cottage Grove (150 units), Keystone Place (69 units), and Dorchester Artist (32 units). Furthermore, Brinshore offers PRA units in 5 developments: Boxelder Court Apartments (6 PRA units), Buffett Place (51 PRA units), Ironwood Court Apartments (14 PRA units), Park Apartments (30 PRA units), and Winterberry Place Apartments (6 PRA units).

Leasing & Management Company, Inc (L&M) will provide property management services for Paseo Boricua Arts LLC. L&M has extensive experience managing tax credit and other affordable housing developments with a portfolio of more than 4,000 units of housing in 42 developments located in the Chicagoland area. L&M manages an additional 576 condominium units in 4 developments in the Chicagoland area.

PIERCE HOUSE

Pierce House is a newly constructed, 5-story, mixed-use, masonry and elevator building located in Chicago's Humboldt Park community in a General area. The development is located on a strong commercial artery, surrounded by a thriving residential and business community. Residents of Pierce House will have access to restaurants, public transportation and community services.

- Pierce House offers 25 residential units: 7 studios, 9 one-bedroom, and 9 two-bedroom units. 4 units are accessible and meet federal Type A 504 requirements; 2 units are adaptable and 2 units sensory adaptable.
- The ground floor of the property contains a federally-funded, qualified health center operated by the Howard Brown Health Center. La Casa Norte's (LCN) social, community and administrative offices are located on the first and second floor of the building and include a nutrition center with a food pantry and teaching kitchen, with access to employment



readiness, life skills, and social service programs. The building provides on-site management, laundry and storage facilities, as well as 9 off-street parking spaces.

- PRA will assist 25 units: 7 studios, 9 one-bedroom and 9 two-bedroom units. Each unit include energy efficient appliances, including a refrigerator and range. Tenants are responsible for their electric expense. The target population will be homeless young adults aged 18-24 and homeless families from CHA waitlists and the City of Chicago's Central Entry System; 4 of the units will come from the State Referral Network. CHA is a partner in Chicago's efforts to end homelessness. CHA's wait list is cross-referenced with the City's Housing Management Information System (HMIS) to identify households that will benefit from a supportive housing environment. CHA is a partner with the State of Illinois in efforts to provide housing opportunities for Chicago's homeless.

Property Owner /Manager

La Casa Norte (LCN) is a 501-C-3, not-for-profit corporation, founded in 2002. LCN assists more than 1,000 households annually and offers an array of comprehensive services including supportive housing, counseling, employment readiness and prevention services. LCN administrative oversight to 90 scattered site, supportive housing residential units through contracts funded by the US Department of Housing & Urban Development (HUD) and the Chicago Low-Income Housing Trust Fund. LCN will provide on-site management services for the residential units at Pierce House.

Respectfully Submitted:

Derek Messier
Chief Property Officer

RESOLUTION NO. 2019-CHA-

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the board letter dated May 21, 2019 entitled “Recommendation to Execute a Housing Assistance Payments contract for Paseo Boricua Arts Building and Pierce House.”

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute 1) an Agreement to enter into a Housing Assistance Payments contract for Paseo Boricua Arts Building; 2) Housing Assistance Payments contracts for a) Paseo Boricua Arts Building and b) Pierce House; and 3) all other documents as may be necessary or appropriate to implement the foregoing.

Eugene E. Jones, Jr.
Chief Executive Officer
Chicago Housing Authority